

Chapter Six: Economic Impact Analysis, Capital Improvement Plan & Airport Operations and Finances

1.0 Economic Impact Analysis – General

An analysis of Concord Municipal Airport's impact and influence on the City of Concord's economy was conducted to provide an understanding of what the airport and its economic activities provide for the City.

2.0 Impact Analysis Methodology

The primary economic impact of any airport is the direct economic activity that occurs within airport businesses. For this study, this direct economic information was determined through base year 2004 survey information. A somewhat abbreviated approach was necessary due to lack of survey response from airport tenants.

In an effort to obtain the most accurate and best possible survey results, all respondents were assured that their information would only be presented in summary form and in a manner that would not allow any individual business to be identified. A copy of the survey distributed to all Concord Municipal Airport tenants is provided as **Appendix L**.

2.1 Regional Input-Output Modeling System (RIMS II)

A frequently used tool called the regional input-output modeling system (RIMS II), was used to calculate Concord Municipal Airport's economic impact. The Bureau of Economic Analysis, an agency of the Federal Department of Commerce, developed RIMS II. Multipliers identified by the modeling system specific to both the State of New Hampshire, as well as the transportation industry were used. The methodology is consistent with that advocated by the FAA.

3.0 Summary and Conclusion

The study methodology described above is an 'impact' approach rather than a 'transportation benefits' approach, which is considered conservative and guards against overstatement of economic impacts. Therefore, the study does not explore the efficiencies, productivity, or benefits associated with air travel. Rather, it measures the significance of the airport as an industry, in terms of the output, earnings, and employment it generates.

Table 6-1 identifies both the direct and total economic impact of Concord Municipal Airport on the City of Concord.

Table 6-1: Direct and Total Economic Impact of Concord Municipal Airport

	Direct Impact	Multiplier	Total Impact
Output			
Operating Expenditures	\$1,565,000		
Payroll	\$1,540,000		
Capital Improvements	\$655,000		
Total	\$3,760,000	1.9228	\$7,229,728
Employment			
Number of Jobs	45	37.1	1,670

Source: HTA, City of Concord and U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis, Regional Multipliers.

While the study results detail the airport's economic impacts as an operating unit, the results do not indicate the airport's full benefit to its local economy. The results are considered an understatement for two primary reasons. First, not all of the surveys distributed were returned. Therefore, the calculations for this analysis were conservatively estimated from the limited data received. Secondly, the FAA methodology specifically does not attempt to measure the transportation benefits travelers receive from general aviation, which include increased schedule flexibility, time savings, convenience, efficiency, security and privacy. Although general aviation has historically provided most of these service values, they are intangible; there simply is not a recognized method to quantify their impact.

An essential impact of Concord Municipal Airport occurs through its gateway function for local businesses and travelers. The facilities that the airport provides are clearly advantageous. The airport is an investment in public transportation infrastructure, a part of the City's commitment to business enhancement that benefits the surrounding community.

4.0 Capital Improvement Plan & Airport Operations and Finances – General

A phasing plan and a financial plan are presented within this chapter to describe the steps required to reach the development discussed in *Chapter 3 - Facility Requirements and Alternative Development* and illustrated in *Chapter 5 - Airport Plans*. The phasing plan considers the demand-driven need for facilities according to *Chapter 2 - Aviation Demand Forecasts*, as well as the financial feasibility of construction as determined in this task. The financial plan evaluates the airport's resources and proposes financial actions and revenue improvements.

5.0 Capital Improvement Plan (CIP)

The CIP represents a phasing and cost estimate for implementing the airport improvements that emerged from the AMPU process. The CIP is divided into two phases: short-term (2005-2010), and long-term (2011-2023). The CIP must be viewed as a constantly evolving document. Planning for Concord Municipal Airport should remain flexible and should incorporate annually updated estimates of costs and priorities.

The CIP is structured in a manner that presents a logical sequence of improvements, while attempting to reflect available funding from State (NHDOT) and Federal (FAA) sources. Those airport

improvements, which are eligible for Airport Improvement Plan (AIP) funding, receive 95 percent funding from the FAA, 2.5 percent from NHDOT, and the remaining 2.5 percent from the local sponsor, the City of Concord. Projects ineligible for AIP funding must either be funded by the State, the City or by private entities, such as airport businesses or private developers.

The following depicts the proposed airport improvements for both the short-term phase, which is prioritized and presented by individual fiscal years, as well as the long-term phase of the CIP. The long-term phase depicts all other projects from which the City can select projects for implementation as the five-year CIP is accomplished and updated. **Table 6-2** and **Table 6-3** contain details for the short-term and the long-term phases of the CIP, respectively.

Table 6-2: Short-Term (2005-2010) CIP

	Airport Development Proposals/Airport Improvements	Federal Fiscal Year	Local (2.5%)	State (2.5%)	Federal (95%)	Construction Cost	Engineering and Contingency Cost (25%)	NHDES Cost	TOTAL PROJECT COST
1	Construct 2 based aircraft storage hangars (private - approximate price per hangar is \$75,000)	2005	\$0	\$0	\$0	\$150,000	\$37,500	\$10,000	\$197,500
2A	Repaint runway, taxiway and ramp markings every three years.	2005	\$2,000	\$2,000	\$74,900	\$78,800	\$0	\$0	\$78,800
2B	Paint aiming point marker on Runway 17	2005	\$300	\$250	\$9,500	\$10,000	\$0	\$0	\$10,000
2C	Paint side stripes at the intersection of Runway 12-30 and the old runway	2005	\$25	\$25	\$1,000	\$1,000	\$0	\$0	\$1,000
2D	Paint ILS hold position marking on Taxiway A	2005	\$25	\$25	\$1,000	\$1,000	\$0	\$0	\$1,000
2E	Repaint the VOR checkpoint/compass rose	2005	\$50	\$50	\$1,900	\$2,000	\$0	\$0	\$2,000
3	Remove the small trees growing within the RSA, OFA and OFZ of both runways	2005	\$300	\$300	\$9,500	\$8,000	\$2,000	\$0	\$10,000
4	Fill and re-grade the terrain surrounding airfield sign bases and light bases	2005	\$100	\$100	\$3,800	\$4,000	\$0	\$0	\$4,000
	Subtotal	2005	\$2,800	\$2,750	\$101,600	\$254,800	\$39,500	\$10,000	\$304,300
1	Complete an EA for all projects proposed within this airport master plan update (note that subsequent updates to the EA may be required if time lapses or there have been plan changes since the original). The EA should also include surveys of the proposed development areas to determine the presence/absence of any historic, archaeological, architectural, cultural or State/Federal endangered or threatened species.	2006	\$6,300	\$6,300	\$237,500	\$0	\$0	\$0	\$250,000

Table 6-2: Short-Term CIP cont.

	Airport Development Proposals/Airport Improvements	Federal Fiscal Year	Local (2.5%)	State (2.5%)	Federal (95%)	Construction Cost	Engineering and Contingency Cost (25%)	NHDES Cost	TOTAL PROJECT COST
2	Provide better marking, signage, lighting and overall maintenance at the intersections of Runway 17 and 12	2006	\$800	\$800	\$28,500	\$24,000	\$6,000	\$0	\$30,000
3	Acquire 2 properties within the RPZ for Runway 17 (10 properties to be purchased through 2010 @ \$350,000/purchase, including appraisals, survey, acquisition, and relocation costs)	2006	\$17,500	\$17,500	\$665,000	\$700,000	\$0	\$0	\$700,000
4A	Obtain easements within the RPZ for Runway 12	2006	\$800	\$800	\$28,500	\$30,000	\$0	\$0	\$30,000
4B	Obtain easements within the RPZ for Runway 35	2006	\$2,100	\$2,100	\$80,800	\$85,000	\$0	\$0	\$85,000
5A	Grade and re-seed the terrain within the runway shoulders, runway blast pads and runway safety areas of both runways	2006	\$4,500	\$4,500	\$170,000	\$143,100	\$35,800	\$0	\$178,900
5B	Grade and reseed the taxiway safety area	2006	\$5,800	\$5,800	\$221,700	\$186,700	\$46,700	\$0	\$233,400
6A	Rehabilitate and light south section of Taxiway A (and its four stub taxiways)	2006	\$43,400	\$43,400	\$1,650,600	\$1,390,000	\$347,500	\$0	\$1,737,500
6B	Install MITLs for Taxiway A and its four access taxiways	2006	\$11,400	\$11,400	\$433,700	\$365,200	\$91,300	\$0	\$456,500
6C	Install taxiway centerline lighting at Taxiway A1	2006	\$900	\$900	\$34,000	\$28,600	\$7,200	\$0	\$35,800
7	Design for itinerant ramp expansion, Runway 12-30 parallel taxiway, and wildlife/security fencing	2006	\$8,000	\$8,000	\$304,000	\$0	\$200,000	\$120,000	\$320,000
8	Drainage Study and SPCC Plan	2006	\$1,300	\$1,300	\$47,500	\$50,000	\$0	\$0	\$50,000
9	Install airport security/wildlife fencing	2006	\$5,900	\$5,900	\$223,250	\$188,000	\$47,000	\$0	\$235,000
	Subtotal	2006	\$108,700	\$108,700	\$4,125,050	\$3,190,600	\$781,500	\$120,000	\$4,342,100

Table 6-2: Short-Term CIP cont.

	Airport Development Proposals/Airport Improvements	Federal Fiscal Year	Local (2.5%)	State (2.5%)	Federal (95%)	Construction Cost	Engineering and Contingency Cost (25%)	NHDES Cost	TOTAL PROJECT COST
1	Construct 2 based aircraft storage hangars (private - approximate price per hangar is \$75,000)	2007	\$0	\$0	\$0	\$150,000	\$37,500	\$10,000	\$197,500
2	Expand and light itinerant aircraft storage ramp with concrete paving material to accommodate larger jet aircraft (Boeing 727's)	2007	\$40,000	\$40,000	\$1,520,000	\$1,280,000	\$320,000	\$0	\$1,600,000
3	Remove all markings on the closed runway with the exception of the yellow "X" denoting that the runway is closed	2007	\$100	\$100	\$3,800	\$4,000	\$0	\$0	\$4,000
4	Construct a full-length parallel taxiway to Runway 12-30 and install medium intensity taxiway lights (MITLs). Phase I (located east of the closed runway)	2007	\$11,300	\$11,250	\$427,500	\$360,000	\$90,000	\$0	\$450,000
5	Acquire 1 property within the RPZ for Runway 17 (\$350,000/property - see note under item 3, 2006)	2007	\$8,750	\$8,750	\$332,500	\$350,000	\$0	\$0	\$350,000
6	Remove airport obstructions Runway 12 (approximately 4 acres)	2007	\$700	\$700	\$25,200	\$21,200	\$5,300	\$0	\$26,500
7	SWPPP Items: 1. Pipe and CB repair, and 2. TV, inspect, seal, and repair drainage lines and structures at ramp area	2007	\$3,100	\$3,100	\$116,400	\$98,000	\$24,500	\$0	\$122,500
8	Purchase SRE Equipment	2007	\$7,400	\$7,400	\$280,300	\$0	\$0	\$0	\$295,000
	Subtotal	2007	\$71,350	\$71,300	\$2,705,700	\$2,263,200	\$477,300	\$10,000	\$3,045,500

Table 6-2: Short-Term CIP cont.

	Airport Development Proposals/Airport Improvements	Federal Fiscal Year	Local 2.5%	State 2.5%	Federal 95%	Construction Cost	Engineering and Contingency Cost (25%)	NHDES Cost	TOTAL PROJECT COST
1	Rehabilitate taxiway, old Runway 3-21	2008	\$90,100	\$90,100	\$3,422,400	\$2,850,000	\$712,500	\$40,000	\$3,602,500
2	Acquire 2 properties within the RPZ for Runway 17 (\$350,000/property - see note under item 3, 2006)	2008	\$17,500	\$17,500	\$665,000	\$700,000	\$0	\$0	\$700,000
3	Repaint runway, taxiway and ramp markings every three years.	2008	\$78,800	\$0	\$0	\$78,800	\$0	\$0	\$78,800
4	Remove airport obstructions Runway 30 (approximately 24 acres)	2008	\$3,800	\$3,800	\$142,500	\$121,200	\$30,300	\$0	\$150,000
5	Install airport security/wildlife fencing	2008	\$5,900	\$5,900	\$223,250	\$188,000	\$47,000	\$0	\$235,000
	Subtotal	2008	\$196,100	\$117,300	\$4,453,150	\$3,938,000	\$789,800	\$40,000	\$4,766,300
1A	* Demolish and construct a new 9,000 square foot terminal facility in the location of the existing facility	2009	\$1,452,000	\$64,300	\$1,053,700	\$2,056,000	\$514,000	\$40,000	\$2,570,000
1B	Expand and redesign the existing automobile parking lot and entrance roadway located in front of the terminal building	2009	\$162,800	\$0	\$0	\$122,200	\$30,600	\$10,000	\$162,800
1C	Create a turf parking lot for overflow automobile rental and fan parking	2009	\$157,800	\$0	\$0	\$126,200	\$31,600	\$0	\$157,800
2	Remove airport obstructions Runway 35 (approximately 38 acres)	2009	\$6,000	\$6,000	\$228,000	\$192,000	\$48,000	\$0	\$240,000
3	Acquire 2 properties within the RPZ for Runway 17 (\$350,000/property - see note under item 3, 2006)	2009	\$17,500	\$17,500	\$665,000	\$700,000	\$0	\$0	\$700,000
	Subtotal	2009	\$1,796,100	\$87,800	\$1,946,700	\$3,196,400	\$624,200	\$50,000	\$3,830,600

Table 6-2: Short-Term CIP cont.

	Airport Development Proposals/Airport Improvements	Federal Fiscal Year	Local 2.5%	State 2.5%	Federal 95%	Construction Cost	Engineering and Contingency Cost (25%)	NHDES Cost	TOTAL PROJECT COST
1	Construct 4 based aircraft storage hangars (private - approximate price per hangar is \$75,000)	2010	\$0	\$0	\$0	\$300,000	\$75,000	\$10,000	\$385,000
2A	Rehabilitate Runway 17-35 and remove 25-foot shoulders	2010	\$150,000	\$150,000	\$5,700,000	\$4,800,000	\$1,200,000	\$0	\$6,000,000
2B	Rehabilitate Taxiway A, the north section	2010	\$20,300	\$20,300	\$771,900	\$650,000	\$162,500	\$0	\$812,500
2C	Redesign the stub taxiway, Taxiway A1, to include an aircraft engine run-up area and to allow for better access/egress by larger jet aircraft.	2010	\$5,900	\$5,900	\$222,700	\$155,500	\$38,900	\$40,000	\$234,400
3	Replace Runway 35's VASI with the newer and more advanced PAPI system	2010	\$0	\$0	\$20,000	\$16,000	\$4,000	\$0	\$20,000
4	SWPPP Item: Erosion repair at 30/17 intersection	2010	\$43,200	\$43,200	\$1,640,600	\$1,381,500	\$345,400	\$0	\$1,726,900
5	Acquire 2 properties within the RPZ for Runway 17 (\$350,000/property - see note under item 3, 2006)	2010	\$17,500	\$17,500	\$665,000	\$700,000	\$0	\$0	\$700,000
6	Replace existing airport signs and install new as necessary per the established sign plan	2010	\$2,500	\$2,500	\$95,000	\$80,000	\$20,000	\$0	\$100,000
	Subtotal	2010	\$239,400	\$239,400	\$9,115,200	\$8,083,000	\$1,845,800	\$50,000	\$9,978,800
	Short-Term Total	2006 - 2010	\$2,411,650	\$624,500	\$22,345,800	\$20,671,200	\$4,518,600	\$270,000	\$25,963,300

Table 6-3: Long-Term (2011-2023) CIP

	Airport Development Proposals/Airport Improvements	Local (2.5%)	State (2.5%)	Federal (95%)	Construction Cost	Engineering and Contingency Cost (25%)	NHDES Site Specific Permit Estimated Cost	TOTAL PROJECT COST
1A	Extend Runway 17-35 by 1,000 feet on the 35 end and relocate the approach light system (the MALSR) and the glide slope antenna. Extend the parallel taxiway to meet the new runway end.	\$52,600	\$52,600	\$1,997,900	\$1,650,500	\$412,600	\$40,000	\$2,103,100
1B	Rehabilitate based aircraft storage ramp	\$23,100	\$23,100	\$878,700	\$739,900	\$185,000	\$0	\$924,900
1C	Rehabilitate itinerant aircraft storage ramp	\$21,000	\$21,000	\$796,600	\$670,800	\$167,700	\$0	\$838,500
2	Install an additional 18,000 gallon Jet-A fuel tank during rehab of ramp(s)	\$38,000	\$0	\$0	\$28,000	\$0	\$10,000	\$38,000
3	Repaint runway, taxiway and ramp markings every three years (2011, 2014, 2017, 2020, etc.)	\$78,800	\$0	\$0	\$78,800	\$0	\$0	\$78,800
4	Construct 4 based aircraft storage hangars (private - approximate price per hangar is \$75,000)	\$0	\$0	\$0	\$300,000	\$75,000	\$10,000	\$385,000
5	Replace Hangars 1, 2 and 3	\$4,116,300	\$0	\$0	\$3,293,000	\$823,300	\$0	\$4,116,300
6	Rehabilitate Runway 12-30 (estimated date for rehab – 2022)	\$25,000	\$25,000	\$950,000	\$800,000	\$200,000	\$0	\$1,000,000
7	Construct a full-length parallel taxiway to Runway 12-30 and install medium intensity taxiway lights (MITLs). Phase II (located west of the closed runway)	\$9,500	\$9,500	\$361,100	\$304,100	\$76,000	\$0	\$380,100
8	Install supplemental windsocks at the approach ends of Runway 30 and 35 (lighted, non- lighted windcones are estimated to cost \$6,000 each)	\$800	\$800	\$28,500	\$24,000	\$6,000	\$0	\$30,000
9	Reestablish the REILS for Runway 17 and install REILS at the approach end of Runway 12	\$0	\$0	\$35,000	\$28,000	\$7,000	\$0	\$35,000
	Long-Term Total	\$4,365,100	\$132,000	\$5,047,800	\$7,917,100	\$1,952,600	\$60,000	\$9,929,700

The majority of projects identified in Concord Municipal Airport's CIP are scheduled during the short-term phase of development (2005-2010). These developments relate primarily to airfield safety issues, meeting FAA specified design criteria, as well as capacity enhancement to meet existing and forecast demand.

6.0 Financial/Management Plan

This section deals with the financial and management structure of Concord Municipal Airport. It reviews the airport management structure, the existing leases, revenue sources, and airport operating expenses and makes recommendations for improvement where necessary.

6.1 Management

The airport's management structure is described in detail in section 3.0 of *Chapter 1 – Inventory* of this report. That section details ten "bullet points" describing management entities with some involvement in the operation of the airport. Such a diffuse management structure fails to achieve a point of focus within the City for airport issues. No one person responds to airport issues and advocates only for the airport. Everyone in the management structure described in Chapter 1 has other responsibilities and duties that, understandably, distract them from both the day-to-day operation of, and the long-term planning for the airport. Even the City's web site requires "drilling down" several levels before a reader can even determine there is an airport within the City (from Community Development to Business Development to Economy to Airport Facilities). We strongly recommend the City create the office of full-time "Airport Manager" as part of the City's management team. From the perspective of what would work best for the airport, the position would be most effective reporting directly to the City Manager. But more important than the reporting point is the creation of the position to provide the focus that is currently missing.

The Airport Manager position would be responsible for negotiating leases with tenants, overseeing planning and design projects for capital development, coordinating with and advocating for NHDOT-Aeronautics and FAA funding, insuring FAA criteria and operating regulations are upheld, meeting with airport neighbors to address their concerns, preparing annual operating and capital budgets, coordinating field maintenance efforts by other departments or private contractors and generally dealing with the myriad details involved in operating and maintaining an airport. Currently, all these functions are spread throughout the City's management structure, making decision-making and airport advocacy difficult to accomplish.

An Airport Manager for an airport the size and operational profile of Concord Municipal Airport should be obtainable for \$55,000 to \$70,000 in annual salary, depending on experience. Any candidate to be considered by the City should either hold or be able to achieve Accredited Airport Executive (A.A.E.) status from the American Association of Airport Executives, a national airport management group. The A.A.E. designation is obtained through a rigorous process of a written exam, research paper and oral interview by senior airport managers, thereby assuring the City that any candidate with the accreditation, or in the process, is an airport management professional.

6.2 Leases

Typically, airport leases should provide for revenue generation from several different and separately recognized sources. A lease which only calls for a lump sum payment from the lessee does not clearly identify what the lessee is paying for and makes it more difficult to alter the lease if the lessee's conditions change in such a way as would warrant an adjustment in the lease terms. The following six major revenue components should be identifiable in an airport lease, as applicable:

Land Rent: Land is an airport's major resource and the airport should be compensated for its use. Airport land should be leased, not sold, and at rates comparable to commercial and industrial rates.

Facility Rent: The airport should be adequately compensated by users who rent or lease space in airport-owned facilities, e.g. terminal buildings, hangars, aprons, etc.

Gross Receipts Fee (GRF): This fee is based on the fact that the airport's existence creates the market on which a commercial operator depends. The airport should be compensated for the expense of maintaining the airport and creating that market opportunity. However, due to the difficulty of determining a commercial operator's gross, the GRF can be challenging to administer.

Access Fees: There are instances when the owner of a public airport permits access to the public landing area by independent operators offering an aeronautical activity or by aircraft based on land adjacent to, but not a part of, the airport property. This type of arrangement is commonly called a through-the-fence operation. Through-the-fence operations include businesses or individuals that have access to the airport infrastructure from outside airport property, or that utilize airport property to conduct a business but do not rent land or facilities from the airport sponsor/owner. More common types of through-the-fence agreements are for free-lance flight instruction, aircraft maintenance, and aircraft hangars. Typically, through-the-fence operations are discouraged, as they tend to dilute the market available to on-airport tenants. No through-the-fence operations are anticipated at Concord Municipal Airport. However, where they are unavoidable, the City should charge an access fee to the individual or operator for the expense of maintaining the airport and providing that access opportunity.

Fuel Flowage Fee: The fuel flowage fee is a predetermined charge owed to the airport for each gallon of fuel purchased by the users of the airport.

Service Fees: These are charges to direct users of the airport. Typical examples are fees assessed to transient aircraft for apron parking and landing fees. The latter are negatively regarded by most airport users and are very difficult to collect at an airport without an air traffic control tower, such as Concord Municipal Airport. A reasonable compromise is to assess a landing fee only on turbine aircraft as a class. Such fees are typically collected by the FBO on a revenue sharing basis with the City. Apron parking fees should be collected by FBO's for aircraft parked within their leased premises, the revenue from which is reflected in the City's GRF fee (see above). Any City-owned aprons should have a parking fee structure with the revenue going directly to the City.

Table 6-4 summarizes the primary provisions of the current lease agreements in place at Concord Municipal Airport and the revenues generated by them for 2004. These revenues are separate from the fuel flowage fee collected by the airport.

Table 6-4: Current Lease Agreements and Revenues

Lessee	Lease Dates and Terms	Premises Leased	Payments (2004)
NH National Guard (NHARNG)	50-Year Lease, Expires 2052	26 Acres	\$167,375.00
NH Civil Air Patrol (NHCAP)	30-Year Lease, Expires March 29, 2006	1.3 Acres	\$500.00
Concord Aviation Services FBO	5-Year Lease, Expires June 30, 2009	4 Hangars, Tie-downs, and Fuel Pumps	\$113,864.00 ¹
Concord Aviation Services Terminal	5-Year Renewable Until 2014, Expires 2014	1,600 SF	\$7,744.00
C & M Management Corporation	20-Year Lease, Expires May, 2012	40,000 SF and 11 T-hangars	\$3,866.00
Federal Aviation Administration	1-Year Renewable Until 2012, Expires 2012	1,030 SF	\$3,840.00
NOAA Terminal Lease	5-Year Lease, Expires 2008	366 SF	\$2,630.00
NOAA Land Lease	1-Year Renewable Until 2008, Expires 2008	5,000 SF	\$3,378.00
NH Department of Safety - State Police Hangar	15-Year Renewable Until 2012,	.56 Acres and 8,000 SF Hangar	\$12,469.00

Source: City of Concord

Note: 1. Payment includes FBO's fuel flowage fee and annual fuel sales based Revenue Share.

The City has generally done an excellent job in establishing leases that fairly compensate the City for the cost of operating the airport and identifying the elements described above. A notable recent lease, with the New Hampshire Army Reserve National Guard for their new hangar/apron/auto-parking complex has made a major contribution to the airport's financial viability. Notwithstanding other recent leases such as the 25-year East Coast Hangar land lease for t-hangars.

Table 6-5 shows the last five years of the airport's revenues, expenses and required subsidy from the City's General Fund. Those subsidies were ended in 2003, as the new Army Guard lease revenue became a part of the finances, providing the ability of the airport to generate a modest budget surplus.

Table 6-5: Subsidy History

	2000	2001	2002	2003	2004
Revenue	\$116,097	\$114,755	\$196,535	\$273,433	\$308,007
Expenditures	\$197,547	\$203,086	\$228,810	\$320,521	\$239,386
Net	(\$81,450)	(\$88,331)	(\$32,275)	(\$47,088)	\$68,621
General Fund Subsidy	\$123,860	\$136,329	\$112,179	0	0

Source: City of Concord Airport Budget Reports.

Per Federal regulations, any revenues generated from airport land and facilities must remain in an airport's account to be used to offset any airport expenses. The City of Concord has a dedicated airport fund, into and from which airport revenues and expenses are deposited and withdrawn. This accounting

practice ensures the airport's revenues are specifically used for airport improvement purposes and also allows greater accuracy when tracking the airport's finances.

The City should continue to seek ways to improve the revenue-generating capability of the airport leases as was done with the Army Guard lease. Revenue surpluses will be required to offset the local share of the ambitious CIP described at the outset of this chapter. Additionally, funding will be required to put the full-time airport manager in place as recommended by this report. However, an experienced, focused airport manager should actually help to make revenues keep pace and control costs, materially assisting the implementation of this master plan.